



**BOMBARDIER
CAPITAL**

Bombardier Capital Rail Inc.

6900 Wedgwood Road, Suite 120

Maple Grove, MN 55311 United States

Telephone 1 (612) 420-8000

Fax 1 (612) 420-8003

<http://www.capital.bombardier.com>

August 23, 1999

Surface Transportation Board
Recording Department
1925 K. Street NW, Suite 700
Washington, D.C. 20423

RECORDATION NO.

22388
FILED

SEP 7 '99

2-30 PM

Dear Sir or Madam,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals of Memorandum of Railcar Lease Agreement dated as of April 30, 1999, a primary document as defined in the Board's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessor: Bombardier Capital Rail Inc.
(formerly called NorRail, Inc.)
6900 Wedgwood Road, Suite 120
Maple Grove, MN 55311
Phone: 612-416-7205

Lessee: CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
Phone: 904-359-1105

The enclosed Memorandum of Railcar Lease Agreement covers the two hundred (200) 42' Covered Coil Railcars bearing reporting marks and numbers CSXT496300 through CSXT496499, inclusive.

Enclosed is our check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-416-7205.

Very truly yours,


Bradley C. Gunstad
Vice President & General Counsel
Enclosures

FORMS/STB-CSXT002

SEP 7 '99

2-30 PM

MEMORANDUM OF RAILCAR LEASE AGREEMENT

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of April 30, 1999 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and CSX Transportation, Inc., a Florida Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various Railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 1757 dated April 30, 1999 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 2 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the two hundred (200) new Thrall built, 41' Covered Coil Railcars bearing the reporting marks and road numbers CSXT496300 through CSXT496499, inclusive, all as more particularly described in the Lease.
3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

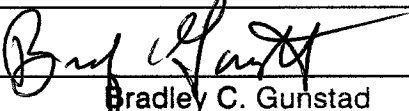
Lessee: NORRAIL, INC.

By:

L. Lee Struble
Vice President-Sales

Its:

By:



Bradley C. Gunstad

Its:

Vice President & General Counsel

Lessor: CSX TRANSPORTATION, INC.

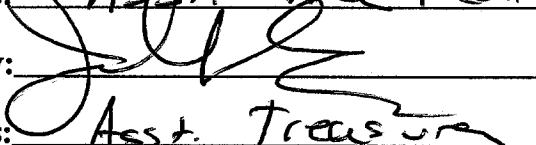
By:



Its:

Asst. Vice President

By:



Its:

Asst. Treasurer

EXHIBIT A
To
MEMORANDUM OF RAILCAR LEASE AGREEMENT

301.

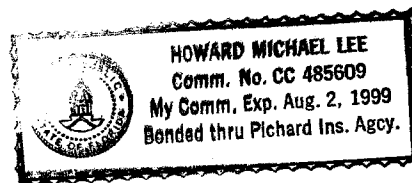
STATE OF Florida, COUNTY OF Duval TO WIT:

On this 28th day of April, 1999 before me personally appeared, J.S. Onimus and J.M. Jellay, to me personally known, who being by me duly sworn, says that they are the Asst. Vice President and Asst. Treasurer, respectively of CSX Transportation, Inc., a Virginia Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

Howard Michael Lee
Notary Public

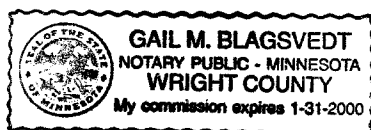
My commission expires: 8/2/99



STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 30 day of April, 1999 before me personally appeared L. Lee Shultz and Bobby C. Hunstad, to me personally known, who being by me duly sworn, says that they are the VP Sales and VP Gen. Counsel, respectively of NorRail, Inc. a Minnesota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



Gail M. Blagsvedt
Notary Public

My commission expires: 1-31-2000